GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1479
ANSWERED ON:27.11.2007
MERGER OF PMRY AND REGP
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether there is overlapping of various projects under taken under the twin schemes viz. Prime Minister`s Rozgar Yojana (PMRY) and the Rural Employment Guarantee Programme (REGP);

(b) if so, the details thereof;

(c) whether the Government has submitted any proposal to the Planning Commission for merger of PMRY and REGP;

(d) if so, the details thereof; and

(e) the steps taken to ensure smooth implementation of the above projects and to promote more self-employment in the country?

Answer

MINISTER FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a) & (b) The main objective of the two credit-linked subsidy schemes, namely, the Rural Employment Generation Programme (REGP), implemented through the Khadi and Village Industries Commission (KVIC) and the Pradhan Mantri Rojgar Yojana (PMRY), implemented through the States and Union Territories by the Government (in the Ministry of Micro, Small and Medium Enterprises) is promotion and development of micro enterprises in the rural and semi urban areas. While REGP is implemented in rural areas and small towns with population up to 20,000, PMRY is implemented both in rural as well as urban areas.

The cost limit of the village industry units set up under REGP is upto Rs. 25 lakh while the maximum cost limit of self-employment ventures under PMRY is Rs. 5 lakh for a single entrepreneur. The quantum of margin money/subsidy admissible under these two schemes also differs substantially.

(c) & (d) A proposal for formulation of a new scheme called 'Prime Minister's Employment Generation Programme' (PMEGP) by merging the Rural Employment Generation Programme (REGP) and Pradhan Mantri Rozgar Yojana (PMRY) has been submitted to the Planning Commission for 'in principle' approval. The proposal is only in its conceptual stage.

(e) KVIC has been advised to closely monitor the implementation of the REGP Scheme with State KVI Boards to ensure meeting the targets of employment generation. Bankers have also been separately requested by the Reserve Bank of India on not insisting on collateral for loan amount upto Rs. 5 lakh. Regular meetings at the State level are being held by KVIC with Bankers to ensure this. Government (in the Ministry of Micro, Small and Medium Enterprises) is also monitoring the progress in the implementation of REGP in the Ministry. Similarly, in the case of PMRY also, the progress is monitored regularly by the Ministry centrally and at State levels too, besides monitoring by the Reserve Bank of India.